



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

April 23, 2010

RECEIVED

APR 30 2010

Patricia McLain
Chief Financial Officer
State of Washington
Department of Ecology
PO Box 47600
Olympia, Washington 98504-7600

DEPARTMENT OF ECOLOGY
OFFICE OF DIRECTOR

Dear Ms. McLain:

Enclosed is a negotiation agreement reflecting an understanding reached with your organization regarding the indirect cost rates to be used on grants and contracts with the Federal Government.

I have already signed the agreement. Please have the agreement countersigned by a duly authorized representative of your organization. Photocopy the agreement for your files and return the original to me. Please use the Express Mail address below, if you mail the Agreement back to me using FedEx, DSL or UPS Overnight. Since I work in a secure location, I am unable to receive express mail packages. Please give this matter your immediate attention. If you have questions please contact me on (202) 564-5055.

Please return the countersigned original agreement to one of the following:

Regular Mail

Jackie Smith, Rate Negotiator (3802R)
Financial Analysis and Oversight Service Center
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460-0001

Express Mail

Jackie Smith, Rate Negotiator (3802R)
Financial Analysis and Oversight Service Center
U.S. Environmental Protection Agency
Bid & Proposal Room #61107
1300 Pennsylvania Ave
Washington, D.C. 20004

Sincerely yours,

Jackie Smith, Rate Negotiator
Financial Analysis and
Oversight Service Center

Enclosure



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

OMB CIRCULAR A-87 COGNIZANT AGENCY

NEGOTIATION AGREEMENT

Page 1 of 2

State of Washington
Department of Ecology
Olympia, Washington

Date: April 23, 2010

Filing Ref: May 20, 2009

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which Office of Management and Budget Circular A-87 applies, subject to the limitations contained in the Circular and in Section II, A below.

SECTION I: RATES

<u>Type</u>	<u>Effective Period</u>		<u>Rate</u>	<u>Base</u>
	<u>From</u>	<u>To</u>		
Fixed	7/1/2010	6/30/2011	32.80%	(a)

Basis for Application

(a) Direct salaries and wages, including fringe benefits.

Treatment of Fringe Benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs and are not included in the rates identified above.

SECTION II: GENERAL

A. **LIMITATIONS:** The rate in this Agreement is subject to any statutory and administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the department/agency or allocated to the department/agency by an approved cost allocation plan were included in the indirect cost pool as finally accepted; such costs are legal obligations of the department/agency and are allowable under governing cost principles; (2) The same costs that have been treated as indirect costs have not been claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the department/agency which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. CHANGES. The fixed rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate in this agreement, require the prior approval of the authorized representative of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowances.

C. THE FIXED RATE contained in this agreement is based on an estimate of the cost which will be incurred during the period for which the rate applies. When the actual costs for such a period have been determined, an adjustment will be made in the negotiation following such determination to compensate for the difference between the cost used to establish the fixed rate and that which would have been used were the actual costs known at the time.


D. NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein.

E. SPECIAL REMARKS: None.

ACCEPTANCE

By the State Agency:

By the Federal Agency:

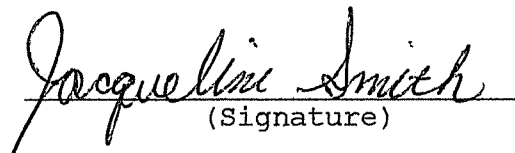

(Signature)

Patricia L. McLain
(Name)

Chief Financial Officer
(Title)

State of Washington/Dept. Of Ecology
(Agency)

May 3, 2010
(Date)


(Signature)

Jacqueline Smith, Rate Negotiator
Financial Analysis and
Oversight Service Center
U.S. Environmental
Protection Agency
April 23, 2010

Negotiated by: Jacqueline Smith
Telephone: (202) 564-5055